



GSA Office of Inspector General



Audit Plan

FY2009

FOREWORD

This audit plan reflects the results of the Office of Audits' planning effort for FY 2009. The audits and other reviews identified in this document were developed giving full consideration to the President's Management Agenda, GSA's Strategic and other performance goals and measures, legal and regulatory requirements, issues raised in discussions with GSA and OMB managers, and our own assessment of the management challenges and risks facing the Agency. Our goal in developing the FY 2009 audit plan was to provide a road map of how our office can help GSA managers improve their programs and operations and best protect the taxpayers' interests.

The audit plan consists of three sections.

- Section one outlines our goals and strategies for helping to improve GSA operations.*
- Section two presents the high priority audits and reviews planned for FY 2009.*
- Section three explains the various audit services that we provide to our clients.*

The audits identified in this plan are considered to be our highest priority. Collectively, these reviews will assess many of GSA's programs, systems, operations, and management controls; respond to requests from GSA management; and address issues mandated by law or regulation. In addition, this plan provides our individual field audit offices the flexibility to respond to management requests and schedule other regional work and prevention activities throughout the course of the year. The plan also provides time for our offices to support contracting officers in carrying out their procurement and administration responsibilities.

I want to thank GSA managers for their help in developing our audit program. Your comments, suggestions, and requests were considered in the preparation of the FY 2009 final plan.

Regina M. O'Brien

Acting Assistant Inspector General for Auditing

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FY 2009 STRATEGIES

Mission and Goals

The Office of Audits' mission is to add value by providing timely, cost effective, professional, and useful products and services to our clients and stakeholders. Our ultimate goal is to help improve GSA while simultaneously protecting the integrity of its operations. We intend to accomplish our mission by continuing to identify and address the challenges facing GSA management. Our strategy relies on an open flow of communication with all of our customers. We will continue to foster a professional relationship with our customers and recognize our mutual interest in helping GSA improve its operations and accomplish its goals.

Planned Reviews

In FY 2009, we intend to emphasize national reviews of GSA programs, test operations and security of information

systems and sensitive data, supervise financial statements audits, assess management controls, perform reviews of contract proposals and contract performance, and complete other reviews as required by law, executive order or regulation. These reviews have become the staple of our organization. In addition, we will continue to offer a variety of other services that are intended to assist management in improving operations. These services include ex-officio membership on agency task forces, commenting on proposed or pending regulatory and legislative issues, participating on government-wide workgroups and assessing system development efforts. Attestation review services are also available to help GSA contracting officials carry out their procurement responsibilities and obtain best value for Federal customers and the American taxpayers.

Other Clients

Outside of GSA, we continue to work with the Congress and its committees, the OMB, the President's Council on Integrity and Efficiency, and others on issues pertinent to GSA, or Government-wide issues, and to carry out our legislative mandates. We will provide audit, advisory, and analytical services, prompt answers to questions, testimony, and other professional advice.

Communication with GSA Officials

Communication is the most important element in the audit process. First, we use our nationwide information networks of auditors and managers, headed by Deputy Assistant Inspectors General for Auditing in the headquarters audit offices, to maintain contact with GSA managers to remain current on events and initiatives taking place in GSA as well as management concerns.

While performing audits, we keep management informed during each phase of the process. For example, we use audit engagement letters at the start of the review to provide a general explanation of the focus of the review, where work will be performed, and the estimated start date of the audit. We hold entrance and exit conferences and prepare draft and final reports. We also hold meetings during the review process to keep management informed as to the progress of the review. We are presently working on developing a process to provide interim memoranda to management to highlight important observations and issues that need to be communicated to management during ongoing reviews. Upon completion of the audit, we work with management to resolve audit findings and recommendations in a timely manner.

Audit Resolution

The Inspector General Act Amendments of 1988 require the

Administrator to report directly to Congress on management decisions and final actions taken regarding audit recommendations issued by the OIG. We partner with GSA managers to achieve management decisions within the required maximum of six months after report issuance, as well as final action on each management decision within twelve months after the date of the audit report. When final action is not achieved within one year of an audit's management decision date, an

explanation is necessary in our semiannual Report to Congress.

Customer Surveys

We highly value management's opinions on the quality and value of our products and services. Each audit report includes a customer survey questionnaire that we hope will be completed by the cognizant manager or contracting officer. Our office uses the completed questionnaires to assess and improve the usefulness of our audits and related services.

Preadward and Contract Performance Support

Beginning in FY 2004, the former Federal Technology and Federal Supply Services, now combined into FAS, each transferred funds to the Office of Inspector General to reimburse the OIG for expanded contract audit coverage through preaward reviews and contract performance assessments. For FYs 2006 through 2008, the amount of reimbursable funds totaled \$5 million per year. However, the FY 2009 OMB Passback calls for reimbursable funds totaling \$2.8 million as well as \$2.2 million in direct appropriations to provide for continued service in this area. This expanded effort is to ensure contract vehicles result in reasonable pricing for customers and that they adhere to

fundamental contracting principles in the Federal Acquisition Regulation. We are working closely with FAS to develop preaward and contract performance assessment programs that strengthen government-wide contracts and provide value for the taxpayers.

These contract reviews are performed under audit standards for attestation reviews. Preadward and postaward attestations reviews are routinely performed to provide contracting officials with negative assurance regarding the material accuracy and completeness of contractor submissions, proposals, or claims.

FY 2009 AUDIT PLAN

The Fiscal Year 2008 Audit Plan represents the Office of Audits' roadmap for using its available resources in the next fiscal year. The Plan anticipates a resource mix utilizing 50 percent of the available direct staff for internal audits and 50 percent for contract reviews. This mix continues our emphasis on high priority reviews of GSA programs, yet provides sufficient time for contract reviews.

The Plan allots a significant amount of the internal audit time

to the more substantial program, information systems, management control, and regulatory reviews, while still providing reasonable coverage for compliance and regional issues. We recognize that over the coming year GSA managers will request special audits to be performed on a priority basis. Although we intend to maintain the overall direction presented in this Audit Plan, we will also endeavor to respond to management requests.

INTERNAL REVIEWS

Detailed information, by service or staff office, on planned internal coverage is presented separately in the paragraphs that follow.

PUBLIC BUILDINGS SERVICE

TYPE OF REVIEW	AUDIT TITLE	COMPLETION DATE
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Program	Rent Bill Management	September 2009
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FOCUS: Rent Bill Management is PBS's effort to standardize the billing process. Prior to the recent selection of a national contractor, the regions were responsible for data input. Now the contractor will create and maintain billing and payment related transactions. Has Rent Bill Management improved the accuracy and consistency of the rent bill? If not, what obstacles are hindering PBS's efforts to improve the accuracy and consistency of the rent bill?

Program	Lease Fee Reduction and Efficiency	March 2010
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FOCUS: In FY 2008, PBS is reducing leasing fees from 8 to 7 percent (from 6 to 5 for unique space). However, leasing operations was in the red for FY 2007 and lost over \$22 million in the first half of FY 2008. Has PBS achieved the leasing operational efficiencies necessary to compensate for the FY 2008 fee reduction?

Program	Construction Funding	March 2010
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FOCUS: The review will examine the risk that regions are using non-construction funds to complete construction projects. Is construction funding sufficiently managed to complete projects or are other sources, such as BA 54 and BA 61, needed to finalize projects?

TYPE OF
REVIEW

AUDIT TITLE

COMPLETION
DATE

Management
Control Review

Funds Controls

September 2009

FOCUS: The review will focus on assessing the existence and effectiveness of the controls over funding. This review will be limited to financial controls for PBS within a region.

FEDERAL ACQUISITION SERVICE

TYPE OF REVIEW	AUDIT TITLE	COMPLETION DATE
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Program	Order, Delivery, and Payment of Vehicles	September 2009
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FOCUS: The Automotive Center is a major function within the Office of Travel, Motor Vehicles, and Card Services and purchases more than \$1 billion in vehicles and automotive services annually for both GSA Fleet and other agencies. Its purchases play a critical role in the success or failure of GSA Fleet, which has annual revenues in excess of \$1 billion. The review will focus on order delivery and payment of vehicles process for GSA Fleet and the rest of the Government that buys through GSA. The review will also assess the controls over the program and whether they need to be improved. The review will focus on the Automotive Center. Specially, how well does the Automotive Center: process customer's orders, ensure timely delivery, and ensure accurate and timely billing and payment?

Program	Joint DoD and GSA OIG Review of DoD Purchases Made Through GSA	March 2010
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FOCUS: Prior reviews identified a number of improper task order and contract awards, including work outside the contract scope, improper order modifications, frequent inappropriate use of time-and materials task orders, failure to enforce contract provisions, and failure to return excess client-agency funds from prior fiscal years. The most recent review in FY 2006 found that GSA and DoD components lacked a common understanding of the proper use of funds across fiscal years and the format for interagency agreements, and there was no clear official position between the two agencies. The focus of this review is to determine if DoD purchases made through GSA on behalf of DoD are compliant with defense procurement requirements.

TYPE OF REVIEW	AUDIT TITLE	COMPLETION DATE
Program	Use of MAS Contracts for Contractor Oversight Work	March 2010

FOCUS: As GSA has continued to expand its offering of services through the MAS program, there is concern that GSA is not adequately considering or evaluating fundamental control issues associated with some of these services. Since GSA added acquisition support services to the MOBIS schedule in 2008, what has been the extent of agency use of these services? Have there been any cases of real or implied instances of conflict of interest or concerns about contractors performing inherently governmental work? What controls has GSA established to ensure proper use of these contracts?

OFFICE OF THE CHIEF FINANCIAL OFFICER

TYPE OF REVIEW	AUDIT TITLE	COMPLETION DATE
Management Control	Management Assurance Statement Process	September 2009

FOCUS: The Federal Managers' Financial Integrity Act (FMFIA) requires the Administrator to annually provide to the President and Congress an Assurance Statement indicating whether GSA's management control systems achieve their intended objectives, as prescribed in OMB Circular A-123. The review will focus on the policies and procedures used by GSA managers to complete their yearly assurance statements.

Regulatory	Management Challenges	September 2009
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REQUIRED BY: Reports Consolidation Act of 2000. The Inspector General must render an opinion on the most serious management and performance challenges facing the agency.

Regulatory	Controls Over Payroll	September 2009
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REQUIRED BY: Government Reform Act. The Inspector General is required to assist the Office of Personnel Management in assessing the reasonableness of the personnel withholding and contribution information reported by GSA.

Regulatory	Federal Managers' Financial Integrity Act 2008	September 2009
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REQUIRED BY: Federal Managers' Financial Integrity Act. Inspectors General must assess and report on the adequacy of their Agencies' management controls.

Regulatory	Oversight of CPA Contract, 2009	March 2010
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REQUIRED BY: OMB Bulletin No. 07-04, Audit Requirements for Federal Financial Statements. This Act requires an annual audit of organization-wide financial statements.

OFFICE OF THE CHIEF INFORMATION OFFICER

TYPE OF REVIEW	AUDIT TITLE	COMPLETION DATE
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System	Earned Value Management	March 2010
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FOCUS: Earned Value Management (EVM) is the method by which GSA measures the performance of all major Information Technology (IT) investments. It is a management tool that effectively integrates the investment scope of work with schedule and cost elements, for optimum investment planning and control. Has GSA EVM policy been developed in accordance with current Office of Management and Budget (OMB) and regulatory guidance? Have GSA Services and Staff Offices effectively implemented this policy for IT investments internally and within contractor project management practices?

Regulatory	Federal Information Security Management Act	March 2009
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REQUIRED BY: Federal Information Security Management Act of 2002 (FISMA). This audit will assess whether GSA's IT Security Program ensures that adequate managerial and technical controls are in place for IT systems, and that integrity, confidentiality, authenticity, availability, and non-repudiation are provided for information maintained within the IT enterprise architecture. An overall assessment of GSA's FISMA implementation and IT security program will be provided in an audit report that includes the results of select system security audits and our responses to specific questions outlined in the OMB Fiscal Year (FY) 2009 reporting guidance. Systems security audits proposed for inclusion in the FY 2009 FISMA audit project are: the FAS SmartPay-US Bank system, the CFO Corporate general support system, the PBS eLease system, and the CIO's EIO-Lotus/PBX implementations. Systems included in the FY 2008 FISMA review not completed in time for inclusion in FY 2008 reporting, if any, will be included in the FY 2009 FISMA review results. Proposed system reviews for FY 2009 identified elsewhere in this plan may also include an assessment of IT security for inclusion in the FY 2009 FISMA results.

MULTIPLE SERVICES

TYPE OF REVIEW	AUDIT TITLE	COMPLETION DATE
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Program	Living Quarters Allowance	September 2009
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FOCUS: To determine whether Service and Staff Offices who have posts of duty outside of the Continental United States (OCONUS) are managing living quarters allowances properly and effectively. Several years ago a number of Fleet operations associates were assigned to a post of duty at a Fleet Management Center in Germany. Fleet management authorized living quarters allowance at the maximum allowable for the location. After a number of years GSA advised the associates that they had to return living quarters allowance amounts that exceeded their actual housing costs. In several cases, the over-payments were substantial. GSA had a difficult time collecting the overpayments. The review would determine (1) how GSA is paying living quarter's allowances for its 100 or so associates living OCONUS and (2) whether affected associates are aware of the living quarter allowance processes and procedures.

Regulatory	Quality Control Review of Single Audit	September 2009
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REQUIRED BY: The Single Audit Act of 1984 and the Single Audit Act Amendments of 1996 require non-governmental organizations receiving federal funds to undergo independent audits. OMB Circular A-133 establishes program requirements. Currently the GSA OIG has either audit cognizance or oversight of 20 non-Federal entities.

OTHER INTERNAL REVIEWS

Regional Plan Audits

Our audits in the Regional area include those planned at the beginning of the Fiscal Year that are to be performed initially at the local level and, if found to have national impact, expanded to other regions. These planned audits have been listed previously in the various service or staff office sections. In addition, we have set aside internal direct staff time for performing regional plan reviews that are initiated by the Regional Inspector General for Auditing to

address management requests and to review areas of regional interest.

Preventative Audits

In addition to the reviews identified previously, we will continue to perform the recurring types of preventative audits. These reviews are designed to assure that GSA gets what it pays for and to assess the economy and efficiency of operations and compliance with laws, regulations, and policies.

CONTRACT AUDIT COVERAGE

The FY 2009 Audit Plan provides resources for assisting contracting officials with evaluations of significant proposals and contracts. In conjunction with FAS officials, we have identified between 60 and 65 potential preaward MAS contract reviews

that will be undertaken. We also assign a block of time to our field offices for performing various other types of contract attestation reviews, as needed, at the discretion of each audit office based on materiality and resources.

OFFICE OF AUDITS SERVICES

The services the Office of Audits provides, as well as a brief description of each service, are listed in the following paragraphs. GSA management and contracting officials can request services via telephone, FAX, e-mail, or letter at any time. For Central Office requests, please contact Mr. John L. Conley, Acting Director, Audit Planning, Policy, and Operations. For regional requests, please contact the Regional Inspector General for Auditing in the cognizant region. The office addresses and telephone numbers for our key audit officials may be found on pages 17 – 20.

AUDIT SERVICES

We intend to produce timely audits that add value to GSA. The audit services we normally provide include:

- **Program Reviews** that assess whether the program is meeting expectations, operating in a cost-responsible manner, or could be accomplished in a better way;
- **Systems Reviews** that evaluate whether GSA's information systems are developed, implemented, and maintained to meet requirements and customer needs, including: support for relevant programs; adherence to applicable management, operational, and technical controls; and consideration of risks inherent to Information Technology;
- **Management Control Reviews** that assess whether the existing system of management controls can reasonably ensure that program assets are adequately protected, efficiently used, and provide safeguards against fraud, waste, or abuse;

- **Integrated Reviews** that assess relevant programmatic, system, and management control issues in a combined review that recognizes the pervasive use of information technology throughout today's business and Government environments and the interrelationships between programs and the systems that support them;
- **Regulatory Reviews** that are mandated by law or regulation such as Federal Managers Financial Integrity Act, Government Performance and Results Act, Federal Information Security Management Act, and the Chief Financial Officer Act; and
- **Compliance Reviews** that are performed to evaluate conformance with applicable laws, regulations, and policies.

OTHER SERVICES

The Office of Audits assists management in improving operations and assessing the best ways to do business. We advise managers based on independent assessments of programs, areas, or functions. These types of services include the following:

- **Advisory Reviews** use benchmarking and analysis of best practices to determine if GSA is delivering comparable products and/or services as effectively as other entities;
- **Task Force Participation** where staff auditors provide technical advice and assist Agency Task Forces in an ex-officio capacity;
- **Monitoring Services** whereupon auditor(s) are assigned to observe ongoing Agency actions and advise management of potential problems, or whether appropriate controls exist.

- **Speaking at Meetings/Functions** on agreed upon subjects, and sharing expertise with Agency employees.

CONTRACTING OFFICER SERVICES

The Office of Audits provides assistance to contracting officials in awarding and administering GSA contracts. We perform both preaward attestation reviews of vendor contract proposals and postaward attestation reviews of contracts. We also furnish support to Agency contracting and legal personnel in negotiation/litigation of claims and contract disputes. In addition, we furnish assistance on civil fraud and criminal matters.

AUDIT CONTACT POINTS

REGION	ADDRESS	TELEPHONE
Central Office	John L. Conley Acting Director, Audit Planning, Policy, and Operations Staff (JAO) General Services Administration 1800 F Street, NW, Room 5312 Washington, DC 20405	Office Number (202) 501-0374 FAX Number (202) 219-0063
A	Kenneth L. Crompton Deputy Assistant Inspector General for Acquisition Audits (JA-A) General Services Administration Crystal Square 4, Suite 400 241 18 th Street S. Arlington, VA 22202	Office Number (703) 603-0189 FAX Number (703) 603-0349
F	Jeffrey C. Womack Deputy Assistant Inspector General for Finance and Administrative Audits (JA-F) General Services Administration 1800 F Street, NW, Room 6046 Washington, DC 20405	Office Number (202) 501-0006 FAX Number (202) 501-2349
R	Rolando N. Goco Deputy Assistant Inspector General for Real Property Audits (JA-R) General Services Administration 1800 F Street, NW, Room 5046 Washington, DC 20405	Office Number (202) 219-0088 FAX Number (202) 501-4691

REGION	ADDRESS	TELEPHONE
T	Gwendolyn A. McGowan Deputy Assistant Inspector General for Information Technology Audits (JA-T) General Services Administration Crystal Square 4, Suite 607 241 18 th Street S. Arlington, VA 22202	Office Number (703) 308-1223 FAX Number (703) 308-1715
C	James M. Corcoran Deputy Assistant Inspector General for Contract Audits (JA-C) General Services Administration The Strawbridge Bldg., Room 10-080 20 N. 8 th Street Philadelphia, PA 19107-3191	Office Number (215) 446-4840 FAX Number (215) 446-5888
2, 1	Howard R. Schenker Regional Inspector General for Auditing (JA-2) General Services Administration 26 Federal Plaza, Room 1751 New York, NY 10278	Office Number (212) 264-8620 FAX Number (212) 264-6400
3	Glenn D. Merski Regional Inspector General for Auditing (JA-3) General Services Administration The Strawbridge Bldg., Room 10-080 20 N. 8 th Street Philadelphia, PA 19107-3191	Office Number (215) 446-4840 FAX Number (215) 446-5888

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4	James D. Duerre Regional Inspector General for Auditing (JA-4) General Services Administration Peachtree Summit Bldg., Room 1701 401 W. Peachtree Street, SW Atlanta, GA 30303	Office Number (404) 331-5125 FAX Number (404) 332-3338
5	David K. Stone Regional Inspector General for Auditing (JA-5) General Services Administration Kluczynski Federal Bldg. Mail Stop DPN 4-1, Room 408 230 S. Dearborn Street Chicago, IL 60604	Office Number (312) 353-7781 FAX Number (312) 353-6583
6, 8	John F. Walsh Regional Inspector General for Auditing (JA-6) General Services Administration 1500 E. Bannister Road, Room 2075 Kansas City, MO 64131	Office Number (816) 926-7052 FAX Number (816) 926-5649
7	Rodney J. Hansen Regional Inspector General for Auditing (JA-7) General Services Administration 819 Taylor Street, Room 10A34 Fort Worth, TX 76102	Office Number (817) 978-2572 FAX Number (817) 978-7201

REGION	ADDRESS	TELEPHONE
9, 10	James P. Hayes Regional Inspector General for Auditing (JA-9) General Services Administration 450 Golden Gate Ave., Room 7-5262 San Francisco, CA 94102-3400	Office Number (415) 522-2744 FAX Number (415) 522-2766
W	Paul J. Malatino Regional Inspector General for Auditing – National Capital Region (JA-W) General Services Administration 7th & D Streets, SW, Room 1064 Washington, DC 20407	Office Number (202) 708-5340 FAX Number (202) 708-7494

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